

MEMORANDUM FOR: Deputy Director of Logistics

SUBJECT : Comments on Current MBO System and Suggestions  
for Improvements

1. As currently constituted, I do not believe that the MBO system is serving as a very valuable management tool in the Office of Logistics. I would like to see a closer tie in of MBO with the budgetary process in evaluating accomplishments in terms of resource allocations. (I have been advised that the DD/O intends to utilize the MBO system for allocation of resources, replacing the existing project approval system and for performance evaluation against established operational objects.)

2. Properly structured, an MBO system focused on resource utilization against subfunctional objectives would provide a basis for continuing reprogramming of resources in terms of changing priorities and recorded consumption of funds and manpower. It should preclude special studies such as the recent functional presentation and afford a mechanism for decisions on such matters as overtime allocation, prioritization in equipment acquisition, and reprogramming of funds and personnel now handled separately.

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3. I understand that O/PPB opposes the DD/O proposal for using the MBO system for resource allocation and that DD/O instructions to the field for implementation have been held up because of this factor. In view of this, any major revision of the MBO system may not be in order. However, I still believe it is essential to place MBO into a better perspective in relation to specific functions being performed and to utilize it to report, analyze, and review accomplishments in terms of resources consumed. As currently constituted, it is basically a series of special studies on actions being taken. A copy of the draft DD/O notice is attached.

4. As specifically requested at the 6 December staff meeting, the following comments are offered:

- a. Recommended quarterly meetings on MBO review rather than bimonthly.
- b. Recommended following additional OL objective for FY 1975:

- (1) Develop a comparative study on the effectiveness of existing PPA and PRA procedures and alternative systems in meeting current requirements.
- (2) Develop a study on cost, inefficiency, and other factors related to physical dispersion of Agency offices and facilities in the Metropolitan area of Washington and recommended alternative solutions.

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- (3) Develop a study on courier services and schedules of each Agency component in the metropolitan area of Washington and submit recommendations for either consolidation or further decentralization in efforts to provide essential courier service with minimal personnel resources. The study should consider the use of courier services of other Government agencies such as the Departments of State and Defense in instances where such service is now extant.



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## ROUTING AND RECORD SHEET

SUBJECT: (Optional)

FROM:

EXO

EXTENSION

NO.

DATE

12/15/93

TO: (Officer designation, room number, and building)

DATE

RECEIVED

FORWARDED

OFFICER'S  
INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

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Comments on AEO

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